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NEW SOUTH WALES.

BUSINESS STATISTICS - JANUARY, 1946.

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PART I PRIMARY AND EXPORT INDUSTRIES.

SEASON. Rainfall was below average over almost the whole of the State in December, 1945 and hot weather, with little rain other than in northern coastal areas, has been experienced this month. In inland and central and southern coastal divisions copious rain is needed urgently. Stock have deteriorated in some districts but generally are in fair to good condition. Water supplies are diminishing but mostly are sufficient for present needs, and pests are generally under control. The index of rainfall, appended, illustrates the inadequacy of spring and early summer rainfall in sheep and dairying districts of the State:-

RAINFALL INDEX, NEW SOUTH WALES.

Weighted average ratio of actual to normal rainfall.
Normal rainfall each month = 100.

Period.	Sheep Districts.	Wheat Districts.				Dairying Districts.
		Northern	Central	Southern	Total	
Year 1944	57	68	51	52	53	79
1945-Mar.	31	31	41	26	30	41
Apr.	87	101	103	38	63	142
May	105	160	139	55	90	90
June	181	177	219	143	167	373
July	95	83	58	77	73	139
Aug.	144	156	139	157	152	47
Sept.	30	23	18	32	27	50
Oct.	85	53	72	128	104	89
Nov.	61	76	60	69	67	115
Dec.	49	42	48	48	47	82

WOOL. Appraisements were resumed in Sydney on January 7th. This season to January 9th the quantity of wool received into Sydney stores was 717,563 bales and 448,155 bales had been appraised, compared with 709,427 and 545,991 bales, respectively, at the corresponding stage of 1944-45. Most of the current clip has reached the seaboard, but nearly 250,000 bales went into store in January-June, 1945.

Wool appraised in Australia in July-December, 1945 totalled 1,472,327 bales valued at £26,880,877, showing decreases in quantity of 259,432 bales and in appraised value of £3,978,282. The average appraised price per lb., greasy, was 13.66d. this season, compared with 13.62d. in July-December, 1945.

WHEAT. State officials of the Australian Wheat Board think the N.S.W. harvest may reach 60 million bushels. The final forecast of the State Department of Agriculture was 53.6 million bushels. Harvesting is practically completed and payment of the first advance to growers is about to proceed.

A wheat stabilisation scheme prepared by the Commonwealth Government has been endorsed in principle by the States. Under the scheme there are to be guaranteed prices for five years of 5s.2d. a bushel, f.o.b., bagged basis for all wheat marketed in Australia, and of 5s.2d. a bushel f.o.b., bagged, for all f.a.q. wheat exported. The guaranteed price may be reviewed within the five years and the period (with any necessary adjustment in prices) may be extended, giving permanently a guaranteed price for a reasonable period ahead. Sixty per cent. of any excess of export prices over the guaranteed price is to be paid to a stabilisation fund to assist in meeting the guarantee when export prices fall below the guaranteed price. Marketing of wheat is to be by a central organisation to be established, and the regulation of wheat growing to adjust supplies to the market available is envisaged.

Federal and State authorities are to consider the proposals in detail and if in agreement, are to draft the necessary enabling legislation.

A wheat and flour research institute is to be established by the State Government (probably at Wagga).

DAIRYING INDUSTRY. Conditions are relatively favourable on the North Coast and in the Hunter and Manning districts but are difficult in other dairying districts. Butter production is about at its seasonal peak.

Protracted dry weather has reduced the milk flow in the Sydney-Newcastle zone, and whilst supplies from outside the zone were being arranged a measure of rationing of consumers became necessary, and still applies to cafes, etc. and milk bars.

To assist zone producers the State and Commonwealth Governments are providing a subsidy of 3d. a gallon for whole milk delivered in January, 1946, at a cost of about £60,000. (A seasonal subsidy of 3d. a gallon operates during February of each year.)

GENERAL. EXPORT PRICES. The index number of Australian export prices compiled by the Commonwealth Statistician shows an upward trend, and for October (including gold) stood 36 per cent. above the average for the three years ended June, 1939, having risen 4.2 per cent. in the last twelve months. Prices of some important commodities (metals in particular) have since risen, indicating a continuance of the upward trend.

Australian Export Price Index (Including Gold) (Commonwealth Statistician).

Average			Month of October				
1936-37 to 1938-39	1938-39	1944-45.	1939.	1941.	1943.	1944.	1945.
1000	834	1298	1005	1056	1159	1305	1360

LEAD. From January 15th, 1946 the British price of pig lead was increased from £30 to £39 a ton (lead of "English" quality, £41.10s. a ton). The price of lead in Australia remains at £A22 (=£stg.17.12s.) a ton. In New York lead averaged slightly more than the equivalent of £A44 a ton throughout 1945. Profits of Australian producers are dependent upon maintenance of the volume of export sales, but lead is in strong demand.

PIG MEATS. The United Kingdom will take the Australian exportable surplus of pig meats up to September 30th, 1947. To meet British preference for baconer typos, light weight pigs are to be slaughtered for export only. The Commonwealth will pay (per lb.) 9d. for 1st quality, 8½d. for second quality carcases of 60-180 lbs. and 1d. a lb. less for those 181-200 lbs.

MAIZE crops are more favourable than for the past three seasons and given rain in the next few weeks the harvest will be considerably greater than the average of those seasons (2.7 million bushels).

SOLDIER SETTLEMENT blocks are to become available to servicemen in N.S.W. by the end of this month.

GOLD. production in N.S.W. in January-October 1945 was 36,613 oz. valued at £391,170 compared with 55,546 oz. valued at £582,239 in the ten months of 1944.

PART II FINANCE AND TRADE.

U.N.O. SECURITY COUNCIL. Australia has been elected to fill one of the non-permanent seats (for two years) on the Security Council.

GENERAL. A £70 million Security Loan is to be open to subscription from March 12th to April 16th, 1946. For 9-12 years (maturing 1955-58) the rate of interest is 3¼% and for 3 years (maturing April, 1949) the rate is 2%. The short term rate, according with the recent reduction in bank deposit rates, is ¼% below that offered for short term (5 years) in preceding victory Loans.

OVERSEA TRADE. Licenses are not required for the importation (from January 1st, 1946) from sterling area countries of a list of 650 categories of goods of which 450 were formerly totally prohibited and the remainder under administrative licensing control. In addition 150 items have been transferred from the prohibited to the administrative licensing list and for these applications for importations from sterling countries in normal quantities are to be treated liberally. The first group includes items of hardware agricultural implements, electrical appliances and accessories, commercial chemicals, processing materials, softgoods, etc. and in trade with sterling countries represented a value of about £A.1m., in 1938-39. The goods brought under licensing control (£A750,000 from sterling area in 1938-39) include pianos, toys, furs and luxury soft-good lines.

Industrial disturbances and a union ban on Dutch shipping is said to have lost much Australian export trade with Netherlands East Indies. An order for 100,000 tons of flour of a value of about £A 2m. has been withdrawn and according to Dutch authorities food and manufactures of a value of some £A 20m. would have been imported from Australia in 1946 if transportation difficulties had not supervened.

NEW CAPITAL ISSUES in Australia in 1945 were £5.5m. (comprising shares £1.9m. and debentures £3.6m.) exclusive of semi-Government issues which included that of £1m. for the Metropolitan Water Board. The issue of new shares compares with £7.7m. in 1937 (a record) £0.7m. in 1943 and £2.8m. in 1944 (swollen by one issue of £1.125m.). New issues were made by 24 companies in 1945 against 18 companies in 1944. The issue of new debentures in 1944 was negligible.

COMPANY PROFITS. Figures compiled by the Commonwealth Bank covering a large range of public companies show that the rate of profit on shareholders' capital in respect of balance sheets published was 4.8% in 1945 compared with 4.9% in 1944.

COMMONWEALTH ACCOUNTS. Features of the Commonwealth accounts are the buoyancy of revenue, the continued high level of war expenditure (with demobolisation and the payment of deferred pay an important factor) and the marked increase in social services expenditure. In December, 1945 revenue was £1.5m. lower and expenditure £0.5m. lower than in December, 1944.

For the half year ended December revenue at £159.7m. was £11.9m. greater in 1945 than in 1944. Increases from Customs of £1.7m., in income tax of £10.5m., from estate duty of £0.4m. and in post office revenue of £0.2m., and decreases in sales tax of £0.4m. and in railway revenue of £0.6m. were the major changes.

Total expenditure for July-December (including in 1945, £4.1m. drawn from accumulations in the National Welfare Fund at June 30th, 1945) increased from £291.5m. in 1944 to £299.6m. in 1945. War expenditure was £0.6m. greater and expenditure on other revenue services (including that from National Welfare Fund) was £7.5m. greater, social services payments rising from £19.4m. in 1944 to £24.8m. in 1945.

(Payments, including tax re-imbursements, to or for the States - excluded from above figures and the table - were £1.5m. greater than in July - December, 1944).

COMMONWEALTH REVENUE AND EXPENDITURE.

(Excluding Income Tax reimbursed to States).

Particulars.	Month of December.		Six months ended December.		
	1944	1945	1944	1945	Change '44 to '45
	£m.	£m.	£m.	£m.	£m.
REVENUE. Customs and Excise	5.9	5.8	34.0	35.7	(+) 1.7
Income Tax	9.9	ϕ 9.7	69.2	ϕ79.7	(+)10.5
Other Taxes	4.0	3.2	25.5	25.7	(+) 0.2
Business Undertakings	2.5	2.2	15.1	14.7	(-) 0.4
Other	1.8	1.7	4.0	3.9	(-) 0.1
Total, All sources	24.1	22.6	147.8	159.7	(+)11.9
EXPENDITURE. War (1939-45) from-					
Revenue	12.9	11.2	89.5	98.0	(+) 8.5
Loan	23.5	24.7	143.7	135.8	(-) 7.9
Total War	36.4	35.9	233.2	233.8	(+) 0.6
Other Revenue Services	11.2	11.3	58.3	x 61.7	(+) 3.4
Total, All Services	47.6	47.2	291.5	x295.5	(+) 4.0

ϕ Including Social Services Contribution.

x Excluding £4.1m. met from balance at Credit of National Welfare Fund at 30th June, 1945.

TRADING BANKS. Between October and November, 1945 nine trading banks in Australia had a seasonal gain of £6.2m. in deposits. A further £2.7m. was added to special deposits with the Commonwealth Bank (making an increase of £36.3m. over the last twelve months, against the total increase in deposits in that period of £36m.) As yet the movement in advances is not very pronounced though in November there was an increase of £1m. compared with decreases of £4.2m. in November, 1944 and of £3.9m. in November 1943.

Of total deposits, 62.4% comprised deposits in current accounts (compared with 39.1% in November, 1939) which had increased by £251.8m. since June, 1939. Beside this large increase in customers' free funds, the ratio of advances plus special wartime deposits was 73.9% in November, 1945 compared with a ratio of advances to deposits of 89.8% in November, 1939. Fixed investments were £90.9m. greater than in November, 1939 but without a change in these there were, clearly, large resources available to meet probable need of funds for post-war economic re-establishment and development.

NINE TRADING BANKS - AUSTRALIA.

Liabilities and Assets within Australia. £ million.

Av. of Weekly Figures	Deposits			Coin, Notes, etc. & Cash at C'wealth Bank	Treasury Bills	Govt.& Municipal Securities	Special Wartime Deposits with C'wealth Bank	Advances Discounts etc.
	Bearing Interest (Fixed)	Not Bearing Interest (Current)	Total					
1939-June	200.9	117.1	318.0	28.6	23.9	22.1	-	291.7
1942- "	192.0	195.9	387.9	40.4	39.6	56.3	36.4	268.3
1943- "	197.4	256.1	453.5	33.4	50.8	75.7	102.9	246.0
1944-Aug.	221.3	313.8	535.1	37.6	57.4	95.7	182.8	214.0
Sept.	221.4	321.2	542.6	37.7	57.6	100.0	183.1	215.0
Oct.	222.1	329.6	551.7	38.4	62.4	101.4	185.3	216.2
Nov.	223.9	331.5	555.4	36.9	62.0	104.8	191.0	212.0
1945-Aug.	223.8	351.2	575.0	37.5	54.6	107.0	224.0	210.3
Sept.	224.9	354.8	579.7	38.5	61.2	109.3	219.6	207.8
Oct.	222.7	362.5	585.2	40.1	60.3	110.4	224.6	209.1
Nov.	222.5	368.9	591.4	38.4	61.5	113.0	227.3	210.1

SAVINGS BANKS. Large additions have been made to savings bank accounts in recent months, doubtless reflecting demobilisation and receipt by ex-service personnel of leave and deferred pay. Increases in balances in November 1945 in N.S.W. and Australia were £4.9m. and £12m. compared with £2.8m. and £7.4m.,

respectively, in November, 1944. The total in N.S.W. was £129.7m. or 152.4% and in Australia was £366m. or 149% greater than in November, 1939. At the end of November, 1945 the average amount per operative account was £115.6m. in N.S.W. and £113.7m. elsewhere in Australia.

SAVINGS BANK DEPOSITS : N.S.W. AND AUSTRALIA.

Period.	N.S.W.		AUSTRALIA	
	Deposits at end of period.	Increase or Decrease(-) in period	Deposits at end of period	Increase or Decrease (-) in period.
Year ended June:	£000	£000	£000	£000
1939	87,474	1,458	245,587	5,155
1942	94,538	6,788	274,275	22,044
1943	132,405	27,867	357,995	83,720
1944	162,867	40,462	471,530	113,535
1945	198,203	35,336	566,906	95,476
Month:1944-Sept.	173,037	2,933	500,021	8,355
Oct.	173,981	944	503,049	3,028
Nov.	176,748	2,767	510,463	7,414
1945-Sept.	207,520	2,726	592,970	8,266
Oct.	209,905	2,385	599,651	6,681
Nov.	214,806	4,901	611,689	12,038

WAR SAVINGS CERTIFICATES. Latterly new purchases have declined and redemptions have increased greatly. As a result net sales of War Savings Certificates have fallen far short of those of a year earlier. The increase in July-November in Australia was £1.44m. in 1945 compared with £3.62m. in 1944 and £4.1m. in 1943, including £0.45m., £1.3m. and £1.49m., respectively, in N.S.W. of net subscriptions to November 30th, 1945, totalling £53.97m., £19.63m. was subscribed in N.S.W.

NET SALES OF WAR SAVINGS CERTIFICATES - N.S.W. AND AUSTRALIA.

	1944		1945			July-November				Total to Nov.,1945.
	Oct.	Nov.	Sept.	Oct.	Nov.	1942	1943	1944	1945	
N.S.W. £000	227	326	55	41	84	1,421	1,491	1,303	453	19,626
Aust. £000	657	882	222	106	203	4,013	4,094	3,621	1,437	53,971

BANK CLEARINGS. The amount of inter-bank clearings in Sydney in December, 1945 (£121.6m.) was lowest for the last month of the year since 1942. The index number (which is adjusted for effects of special governmental transactions) for the last quarter was appreciably higher in 1945 than in 1944, but, whereas a seasonal rise from the preceding period (September-November) is usual, there was a decline from 164 to 158 per cent. of the average in 1939 (pre-war). Total clearings for the year 1945 were £1,512.4m. Since 1943 when prices were stabilised, clearings have increased much less rapidly than in the early war years; between 1939 and 1943 the index number rose by 51 per cent., and the rise in the next two years was equal to about 6 per cent.

Industrial dislocations affected business and industry in December, 1945. The reduced wool clip (involving lighter appraisements) was also a factor. Favourable influences are the plentitude of spending power (see Trading and Savings Banks above), revival of the building industry, the satisfactory cereal harvest, and prospective developments associated with re-establishment and return to a peacetime economy.

INTER-BANK CLEARINGS, SYDNEY.

Period.	Amount of Clearings (£million)(a)					Index (b)				
	1939	1942	1943	1944	1945	1939	1942	1943	1944	1945
Year	932.5	1248.5	1442.3	1499.6	1512.4	100	131	151	156	160
July-Dec.	476.8	645.9	725.6	748.9	765.9	102	135	152	157	162
Sept.	74.9	105.6	116.5	120.9	123.4	99	134	155	163	166
Oct.	78.0	115.0	115.5	123.7	140.4	100	138	152	159	166
Nov.	86.1	105.0	129.3	126.3	129.7	102	135	149	153	164
Dec.	91.7	121.7	127.3	127.6	121.6	106	136	150	152	158

(a) Exclusive of Treasury bill transactions. (b) Three months moving average: Base (100) is average of corresponding periods of 1926-30.

STOCK EXCHANGE. Prices of ordinary company shares underwent only slight changes on the Sydney Stock Exchange during December, 1945. A very slight easing in manufacturing and retail shares was probably an adjustment of values following upon the sharp rises in the preceding two months. Pastoral and Finance shares declined 1.8 points, reflecting deterioration of the pastoral outlook. Active demand for and strong holding of script characterises the market.

INDEX OF SHARE PRICES - SYDNEY.

Prices of Ordinary Shares (excl. Bank). Par value = 100.
(Compiled by N.S.W. Govt. Statistician).

Average for Month	Manufacturing and Distributing	Retail	Public Utilities	Pastoral and Finance	Insurance	Total 75 Companies	34 Active Shares
1937-Mar.	213.8	203.8	181.0	169.2	281.2	190.4	200.5
1939-Aug.	212.6	168.2	156.0	118.2	263.9	174.4	181.9
1941-Sept.	227.7	177.2	141.5	127.9	253.2	174.9	181.3
1942-Mar.	173.0	138.3	120.8	110.3	213.7	140.6	147.0
1944-Sept.	237.5	196.2	150.6	139.3	254.1	186.6	202.0
1945-Sept.	242.7	207.8	170.8	146.7	264.6	195.8	210.3
Oct.	255.3	216.3	178.2	150.8	274.6	204.5	220.2
Nov.	266.3	224.1	182.1	156.9	291.5	212.8	229.7
Dec.	266.0	224.0	182.3	154.7	291.5	212.6	229.3

REAL ESTATE. Real estate transactions have increased greatly and in the latter half of the year transfers registered totalled £16.2m. in 1945 compared with £9.4m. in 1943 and £15.7m. in 1939. For the six months mortgages registered were £5.9m., £2.95m. and £11.0m., respectively. In extending the Moratorium Act for one year the State Government indicated that the time was approaching for its repeal. It is estimated that mortgages totalling about £150m. are covered by its provisions.

REAL ESTATE TRANSACTIONS N.S.W.

Period	Transfers Registered (£000)				Mortgages (Incl.renewals) (£000)			
	1939	1943	1944	1945	1939	1943	1944	1945
Jan.-June	16,457	8,130	8,195	12,084	11,452	2,805	3,141	3,886
July-Sept.	8,921	4,713	6,005	7,648	6,221	1,281	1,863	2,767
Oct.	2,331	1,549	1,654	3,260	1,713	618	634	1,128
Nov.	2,381	1,558	1,899	3,106	1,703	558	529	1,072
Dec.	2,067	1,592	1,708	2,195	1,344	494	699	899
Year	32,157	17,542	19,461	28,293	22,433	5,756	6,866	9,752

PART III INDUSTRY, TRANSPORT ETC.

GENERAL. DEMOBILISATION of service personnel is proceeding rapidly. Up to December 31st, 1945 the number discharged in N.S.W. was 97,386. The majority have been either absorbed in industry or are still on leave; only 1,940 ex-service men and women were receiving sustenance at the end of the year.

RECRUITING of men for Army occupation forces in Japan and the Islands is to begin this month.

PAPER. All restrictions upon the use of paper in industry and business (other than for newspapers and periodicals) have been removed.

ARBITRATION. The Premiers' Conference (Canberra, January 22nd) is to discuss causes of industrial unrest and to consider amendments of the arbitration system to facilitate speedy settlement of disputes and to promote greater uniformity of arbitration law in the several States.